

# ABS State Details, June quarter 2015

Source: ABS 5206.0, released 2 September 2015, 11:30 am AEST.

**Note:** ABS 5206.0 provides only state final demand and its components. State level estimates of overseas trade in goods on a merchandise trade basis (which excludes 're-exports' and 'state not available') are released as part of ABS 5302.0 and these are discussed below. For a complete picture of State economic growth, ABS 5220.0 State Accounts provides annual Gross State Product data.

**Queensland's state final demand (SFD) fell by 0.4% in trend terms in June quarter 2015, following a 0.6% decline in the previous quarter. Domestic demand conditions in Queensland remain weak, with SFD 2.4% lower than a year earlier.**

A quarterly fall in business investment was only partially offset by growth in household consumption and dwelling investment (see Table 1).

**Table 1: Queensland's state final demand**  
(June quarter 2015, trend)

Chain Volume Measures <sup>(a)</sup>	% Change		Contribution to SFD Growth	
	quarterly	annual	quarterly	annual
<b>Private Final Demand</b>	<b>-0.7</b>	<b>-3.3</b>	<b>-0.6</b>	<b>-2.5</b>
Household Consumption	0.9	3.1	0.5	1.6
Private Investment	-4.4	-16.6	-1.0	-4.1
Dwelling Investment	2.7	11.1	0.1	0.5
New Dwellings	3.2	15.6	0.1	0.4
Alterations and Additions	2.2	5.4	0.0	0.1
Business Investment	-8.4	-28.3	-1.1	-4.7
Machinery and Equipment	-2.1	-3.4	-0.1	-0.2
New Engineering Construction	-17.3	-49.7	-1.0	-4.6
New Non-Residential Building	-2.2	-7.4	-0.1	-0.2
<b>Public Final Demand</b>	<b>0.6</b>	<b>0.4</b>	<b>0.1</b>	<b>0.1</b>
General Govt. Final Consumption	0.8	3.6	0.1	0.6
National	1.7	2.6	0.1	0.1
State and Local	0.4	4.1	0.0	0.5
General Govt. Investment	0.4	-12.5	0.0	-0.5
National	3.3	14.6	0.0	0.1
State and Local	-0.5	-18.3	0.0	-0.7
Public Corporation Investment	0.0	4.5	0.0	0.1
National	0.5	-10.4	0.0	0.0
State and Local	-0.2	9.1	0.0	0.1
<b>State Final Demand (SFD)</b>	<b>-0.4</b>	<b>-2.4</b>	<b>-0.4</b>	<b>-2.4</b>

(a) Reference year for chain volume measure is 2012-13. Chain volume measures are not strictly additive. As such, there may be discrepancies associated with calculations based on the sum of components.

*Household consumption* (trend) rose 0.9% in June quarter 2015, to be 3.1% higher over the year. By component, insurance and other financial services (up 2.2%), food (up 1.0%) and rent and other dwelling services (up 0.5%) were the main contributors, while expenditure on cigarettes and tobacco (down 2.4%) and electricity, gas and other fuel (down 0.4%) were the only components to fall in the June quarter.

*Dwelling investment* (trend) rose by 2.7% in June quarter 2015, with both construction of new dwellings (up 3.2%) and alterations and additions (up 2.2%) rising in the quarter. Total dwelling investment was 11.1% higher over the year. Supported by expectations of a sustained period of low interest rates and more attractive rental yields in Brisbane relative to Sydney and Melbourne, investor demand in medium-to-high density dwellings has grown strongly.

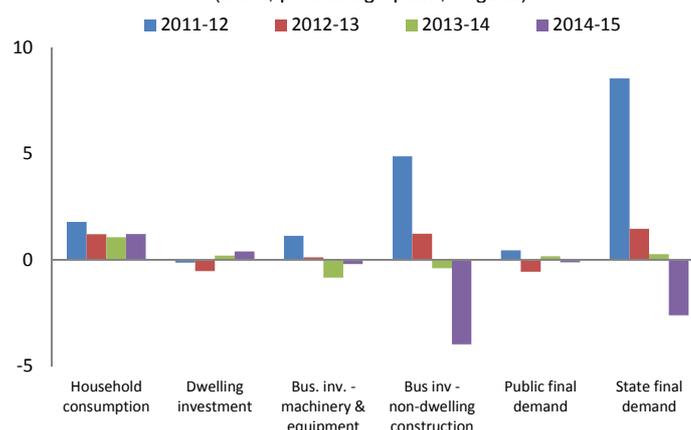
*Business investment* fell 8.4% in June quarter 2015, following a 9.4% decline in the previous quarter. Total business investment is 28.3% lower over the year, as the large LNG projects near completion and transition to production and exports. The decline in overall business investment, from unprecedented levels, is expected to moderate in 2015-16, before returning to a more sustainable longer term growth path from 2016-17.

Of the components of business investment, *new engineering construction* fell 17.3% in the June quarter, to be 49.7% lower over the year. *Non-residential building construction* (shops, offices, factories etc.) fell 2.2% in the quarter, to be 7.4% down on a year earlier. Machinery and equipment investment fell 2.1% in the June quarter, to be 3.4% lower over the year.

*Public final demand* rose in June quarter 2015 (up 0.6%), driven by an increase general government spending.

In 2014-15, SFD fell at a year-average rate of 2.6%. This result was driven by a substantial fall in business investment which was only partially offset by growth in household consumption and dwelling investment (see Chart 1).

**Chart 1: Contribution to SFD, Queensland**  
(CVM, percentage point, original)



On a merchandise trade basis, ABS 5302.0 data (released on 1 September) show *overseas exports of goods in Queensland* (trend) rose 3.1% in June quarter 2015, to be 10.5% higher over the year.

*Overseas imports of goods* to Queensland fell 0.7% in the June quarter, to be 5.7% lower over the year. While not directly comparable to the national accounts methodology, these data suggest net overseas trade in goods continue to make a solid contribution to Queensland economic activity.

**Table 2: Interstate SFD/DFD growth comparison**  
(June quarter 2015, CVM)

	Trend		Seasonally adjusted	
	Quarterly % change	Annual % change	Quarterly % change	Annual % change
New South Wales	0.8	2.6	0.8	3.3
Victoria	1.4	3.9	0.9	3.0
<b>Queensland</b>	<b>-0.4</b>	<b>-2.4</b>	<b>-0.8</b>	<b>-3.3</b>
South Australia	0.3	1.7	-0.2	0.8
Western Australia	-0.1	-2.6	1.5	-1.8
Tasmania	0.3	0.5	0.5	0.7
<b>Australia</b>	<b>0.6</b>	<b>1.2</b>	<b>0.8</b>	<b>1.2</b>